



Letter of Obligation

Presented by:

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June 10, 2004



OMB Circular

Attachment B paragraph D.6.f.(3):

*For a performance decision favoring the agency, **the CO [KO] shall establish an MEO letter of obligation with an official responsible for performance of the MEO.** The CO [KO] shall incorporate appropriate portions of the solicitation and the agency tender into the MEO letter of obligation and distribute the letter to **appropriate individuals including the ATO.***



OMB Circular

Attachment B paragraph E.5.a.:

The CO [KO] shall make option year exercise determinations for agency, public reimbursable, and private sector performance decisions in accordance with FAR 17.707.



OMB Circular

Attachment B paragraph E.6.a.(1):

*Consistent with FAR Part 49, the **CO [KO]** shall notify a service provider (i.e., private sector contractor, public reimbursable provider, or MEO) of poor performance through cure notices and show cause notices. **The CO [KO]** shall inform the head of the requiring activity of such notices.*

Attachment B paragraph E.6.a.(2):

*If the **CO [KO]** determines that a service provider (i.e., private sector contractor, public reimbursable provider, or MEO) has failed to perform to the extent that a termination for default is justified, the **CO [KO]** shall issue a notice of termination consistent with FAR Part 49.*



Questions

Who is “an official responsible for performance of the MEO”?

Who are the “appropriate officials” to whom the LOO is to be distributed, especially if this is “ including the ATO”?

Isn't the head of the requiring activity the ATO?

And if the CO works for the ATO and the ATO is the official responsible for performance of the MEO, how does the CO hold his/her boss accountable/responsible?



DLA LOO

- **From the KO and ATO to the person responsible for MEO performance**
- **Attached performance agreement setting forth the obligations of the MEO as the service provider**
- **Performance agreement is the internal equivalent of a contract award to a private sector offeror**
- **MEO is obligated to perform to the standards**
- **Establishes start dates for transition and full performance**
- **Identifies individual appointed as the equivalent of a KO**



DLA LOO (Cont'd.)

- **MEO is obligated to:**
 - **Comply with Gov't performance monitoring activities, including QA, maintenance of "contract" files, recording actual costs, documentation of past performance, and Gov't reports**
 - **Notify the KO or designee of any changed conditions that would warrant material changes in the Performance Agreement, including scope, workload, actual inflation, and actual wage rates**
 - **Comply with all requirements that are a condition of being a Gov't employee**



Performance Agreement

- **Section C of the Solicitation**
- **DDXX Management Plan**
 - **Most Efficient Organization**
 - **Position Descriptions**
 - **Preliminary Planning, Analysis, and Recommendations**
 - **Technical Performance Plan**
- **DDXX Technical Plans**
 - **Quality Control/Customer Satisfaction Plan**
 - **Transition Plan**
 - **Mobilization, Sustainment, and Disaster Recovery Plan**
 - **DDXX In-house Cost Estimate**